

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 5
FOR THE REGULAR MEETING OF
TUESDAY, AUGUST 9, 2005 AT 10:00 A.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

ITEM-S500: Removal of a Member of the Retirement Board of the San Diego City Employees' Retirement System (SDCERS).

**DEPUTY MAYOR ATKINS' AND COUNCILMEMBER FRYE'S
RECOMMENDATION:**

Adopt the following resolution:

(R-2006-124)

Removing Peter Preovolos from the appointment as a member of the San Diego City Employees' Retirement System (SDCERS) Retirement Board.

SUPPORTING INFORMATION:

Each member of the Board of San Diego City Employees' Retirement System (SDCERS) is required to perform their responsibilities as fiduciaries. Central to the performance of these duties is the obligations to ensure accurate financial statements are issued and audited on an annual basis. Peter Preovolos, as the Chair of the Retirement Board, has failed to meet the fiduciary duty to ensure that accurate and complete financial statements are issued and audited on an annual basis in that Mr. Preovolos has specifically refused to order or permit an AU Section 317 illegal acts investigation for the 2003 and 2004 SDCERS financial statements. Mr. Preovolos has been informed through public reports by the City Attorney, letters from the City's outside auditor KPMG, other public reports, and by the existence of U.S. Attorney investigations and District Attorney prosecutions, of the existence of possible illegal acts by prior SDCERS Board Members, and despite this knowledge and requests by the City Council, City Attorney, the City's Audit Committee, retirees, and union leaders, Mr. Preovolos has refused to order or permit an illegal acts investigation. This failure has put the pension system into further financial crisis, has not attempted to minimize contributions by the City as required by Article xvi, Section 17 of the California Constitution, and threatens the financial welfare and future ability of the City to make contributions to SDCERS. Accordingly, it is appropriate and proper to remove Mr. Preovolos from the appointment as a member of the SDCERS Retirement Board.

Aguirre

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-S501: Appointments to the San Diego City Employees' Retirement System Board of Administration.

(See memorandums from Deputy Mayor Atkins dated 8/4/2005 and 8/2/2005, with resumes attached.)

DEPUTY MAYOR ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2006-125)

Council confirmation of the following two appointments by the Deputy Mayor of the City of San Diego to serve as members of the San Diego City Employees' Retirement System Board of Administration;

NAME

TERM ENDING

Ezekiel E. Cortez
(Rancho Peñasquitos, District 1)
(Replacing Thomas E. King, who resigned)

March 31, 2009

Thomas C. Hebrank
(Kensington, District 3)
(Replacing Thomas A. Page, who resigned)

March 31, 2009